

Central Intelligence Agency



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**MEMORANDUM**

**SUBJECT: Central American Negotiations**

**OVERVIEW**

The environment surrounding the various multilateral and bilateral negotiations in Central America appears conducive to at least some movement toward partial settlements and bilateral agreements. The Sandinistas will try to play this to their advantage to reach accords on security matters while avoiding a binding regional pact that would include agreements on arms control and democratic practices.

The Contadora countries--Mexico, Venezuela, Colombia, and Panama--appear increasingly concerned that US military involvement in Central America will escalate in the months ahead and are pressing the Central Americans for a settlement soon.

- In their rush for an agreement, the Contadora countries are increasingly likely to push for a partial settlement.
- Nicaragua could add to such pressures by making some new concessions and endorsing many of the Contadora July proposals.

Other negotiations that are now under way could introduce further complications for the Contadora talks and US regional interests.

- Nicaragua probably is pushing for a border agreement with Costa Rica in the French-sponsored talks, and San Jose may be receptive.
- The European foreign ministers are likely to at least implicitly endorse even partial settlements such as those contained in a Contadora draft treaty.

The US-Nicaragua talks are not presently having a major impact on the Core Four governments of El Salvador, Guatemala, Honduras, and Costa Rica, but the initiation of these bilateral

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talks probably led the Central Americans to perceive themselves freer to explore bilateral agreements with Managua.

Despite the various pressures for quick agreement and partial settlements, the contending parties remain far apart on the most sensitive issues. A comprehensive regional accord seems unlikely before the end of the year and the various exploratory bilateral talks could deadend as a result of a variety of incidents. Nonetheless, neither the Contadora nations nor the Central Americans can abandon regional talks without incurring unacceptable political costs. The next several months will likely see all sides advancing a series of counterproposals.

#### The Contadora Perspective

The four Contadora mediators--Mexico, Venezuela, Colombia, and Panama--have attempted to accelerate the pace of negotiations since July when they formulated a draft agreement. The Contadora countries seem to be tiring of the negotiating process, and probably are acutely aware that their prestige is tied to obtaining results. The mediators probably are also motivated by a fear that US military involvement in the region will escalate in the months ahead.

The Contadora group has attempted to pressure the Central Americans by portraying this week's meeting in Panama of the nine vice foreign ministers as a "last phase of refinement and perfection" of a draft agreement. They probably intend to issue a revised draft after the meeting. According to US Embassy reporting, the Core Four believes, however, that the draft contains serious defects and that the mediators are protecting the Sandinistas from direct negotiations on the most sensitive political and military issues.

In their rush to achieve a settlement, all of the Contadora sponsors seem willing to support a treaty that falls well short of addressing concerns of the United States and pro-US governments in the region. For example, the present draft already suggests that negotiations on arms control be deferred to a later stage. If the Contadora group fails to obtain a Central American agreement soon, it may increasingly resort to proposals for a partial settlement.

Mexico has been Nicaragua's firmest supporter within the Contadora group, and it is likely to continue in that role

despite some recent signs of a Mexican policy shift toward more evenhandedness. We believe President de la Madrid remains sympathetic to the revolutionary aspirations of the Sandinistas and will defend their interests in the negotiations even while privately counseling Managua to be somewhat more flexible.

Although Venezuela and Colombia over time have served as counterweights to Mexico's pro-Sandinista tilt within the Contadora group, both countries now seem committed to rapidly finalizing a peace treaty. The Contadora process is a keystone of Colombia's foreign policy, and a role in producing a regional peace treaty would solidify President Betancur's coveted image as the hemisphere's foremost peace broker. Venezuela's Lusinchi is privately more skeptical of Contadora's potential, but he probably reasons that by making a concerted push, his administration can escape blame if the process collapses. Lusinchi reiterated to the US Ambassador in early August his distrust for Sandinista electoral promises, but we doubt that the Venezuelans would risk isolation within the Contadora group by, for example, trying to toughen the sections of the draft treaty that deal with internal democratization.

Panama has had a minor role in the Contadora group, and its perspective has generally been favorable to Nicaragua. The Panamanians are trying to protect their nonaligned credentials while defusing possible domestic criticism from the left. They are unlikely to become more sympathetic to Core Four concerns even after President-elect Barletta takes office in October.

#### Core Four Position

The Core Four have not strongly stated their problems with the Contadora draft publicly for fear of being perceived as obstacles to an agreement. Nevertheless, despite slightly differing emphases, Honduras, El Salvador, and Costa Rica agree that:

- The proposed agreement is too weak on democratization and verification issues.
- Any agreement should be adopted as a formal treaty.
- A partial agreement, particularly one that postpones an arms control accord, is to be opposed.

Honduras and El Salvador are likely to lead opposition to

Contadora proposals for an immediate withdrawal of foreign military advisers.

While the US regional allies agree on most points, they are not completely unified and have had difficulties in coordinating their positions in the past. Guatemala has preferred to sit on the sidelines, and did not take part in formulating a counter proposal to the Contadora draft agreement last fall. In addition, the US Embassy believes that El Salvador may not be as willing as other countries to accept arms control proposals, and Honduran-Salvadoran rivalries may cause some problems when detailed negotiations are begun on an acceptable military balance.

Nicaragua's Views

The Sandinistas probably have few hopes that regional negotiations can resolve their problems with their neighbors at an acceptable cost.

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Contadora draft provisions on democracy are not particularly onerous--except for the provision for dialogue with the insurgents--and the Sandinistas will be more likely to accept them once their election is safely behind them. The Sandinistas probably will pursue the tactic of pushing for immediate agreements in areas where there is consensus--such as ending aid to insurgent groups--while deferring difficult issues for later.

Parallel Negotiations

Three sets of other negotiations--Costa Rica-Nicaragua and US-Nicaragua bilateral talks, and the 28-29 September meeting of EEC foreign ministers in San Jose--have been billed as complementary to the Contadora talks. Each of these can introduce additional complications for Contadora and US regional interests.

Costa Rica-Nicaragua Border Talks. Costa Rican and Nicaraguan representatives met in Paris in mid-July to discuss a French-proposed demilitarized zone along their border. The Costa Ricans have told US officials that they do not expect an agreement to be reached. Nevertheless, recent Costa Rican

efforts to rebuild ties to Europe to counter the impression that San Jose is under excessive US influence indicate that President Monge may be willing to reach a settlement outside of the regional talks. Such a bilateral accord would disrupt Core Four unity and accelerate pressures on the Hondurans to conclude a similar agreement separate from the regional negotiations. Nicaragua has renewed its call for joint border patrols with Honduras, pointing to the Costa Rican example.

The Costa Ricans have told US officials that the Sandinistas appeared disinterested at the Paris talks, which we doubt. It would serve Nicaraguan interests to press for an agreement before the September EEC meeting to prove that Managua can be reasonable.

US-Nicaragua Talks. President Lusinchi, speaking for the Contadora group, told the US Embassy in July that the mediators believe the bilateral talks will strengthen regional negotiations. The Core Four governments have registered their acceptance of US reassurances that the talks will not undermine their positions at Contadora, but there are lingering doubts. These concerns have thus far not appeared to have induced the Central Americans to compromise for fear of being betrayed. Nevertheless, we believe that chances for a preemptive bilateral accommodation with the Sandinistas--especially by San Jose--have been increased somewhat since the US-Nicaragua talks began.

Nicaragua has consistently maintained that direct negotiations with the United States are necessary, and it may play for time in the regional forum to see what it can obtain in the bilateral talks. The Sandinistas have already attempted to exploit the negotiations to induce Honduras to begin bilateral talks with them. According to Honduran officials, Managua has attempted to incite fears that agreements of direct concern to Honduras would be concluded with the US without benefit of Honduran participation.

• EEC Foreign Ministers Meeting. The meeting will concentrate on outlining future European economic assistance to the region, which will include Nicaragua. The Europeans are likely to take a stand which supports the Contadora process, and thus indirectly endorses the latest Contadora draft. Similarly, the EEC probably will register approval of the provision in the draft which allows outside states to signify formally their cooperation and support.

The joint communique probably will reaffirm in general terms

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the need to establish democratic conditions and strictly observe human rights. Some of the ministers, however, might use individual meetings with the Sandinistas to pressure them to open up their electoral process.

Outlook

Despite the likelihood of continuing Contadora pressures for an agreement, the parties remain far apart and are unlikely to reach a comprehensive regional accord before the end of the year. The Contadora mediators probably will attempt to maintain control of the process by introducing new proposals to bridge the gap between Nicaragua and the Core Four. Their intercession may result in proposals to sign a partial agreement in areas where there is now consensus, and pressures may accelerate to conclude bilateral border settlements.